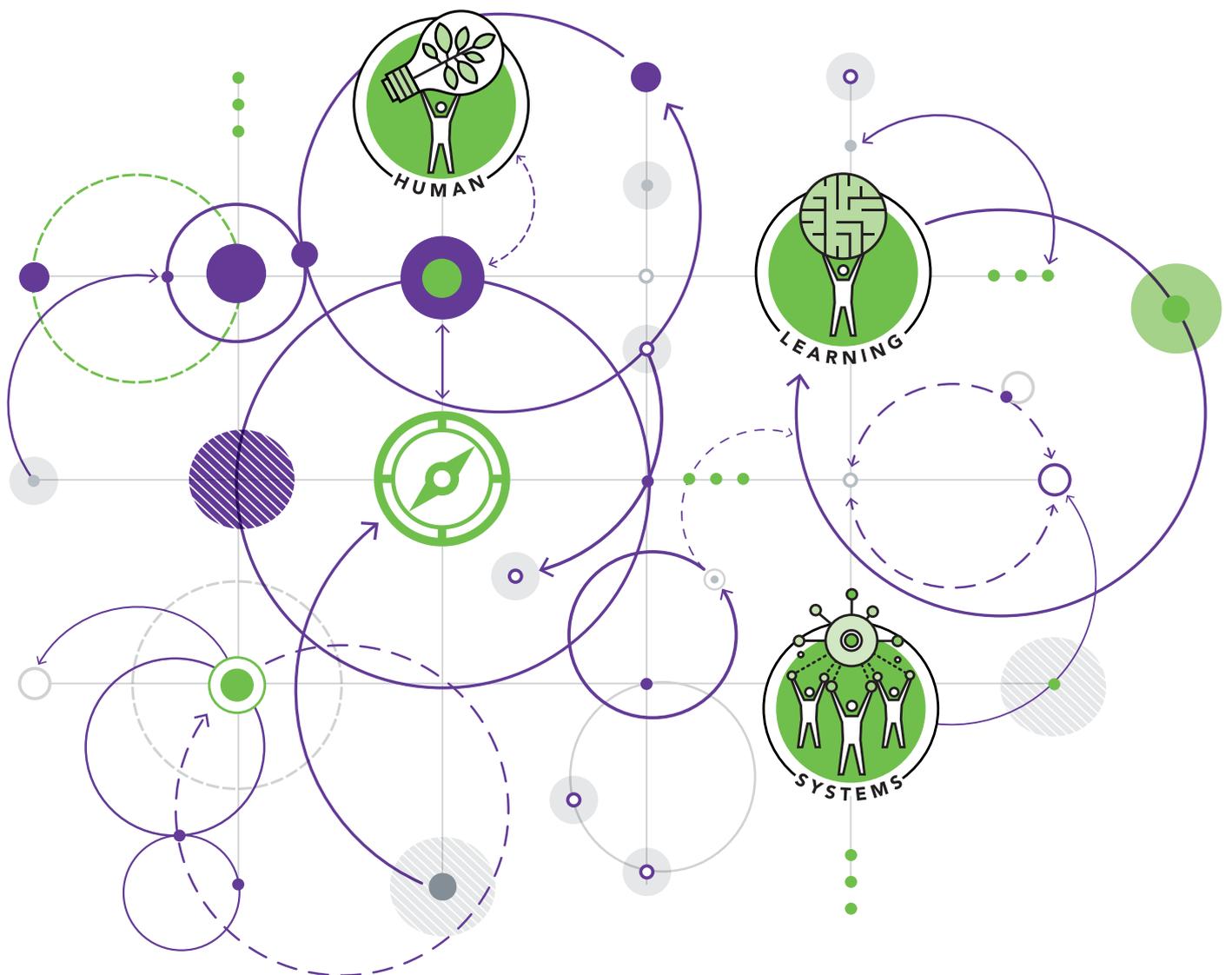


Exploring the new world:

Practical insights for funding, commissioning
and managing in complexity

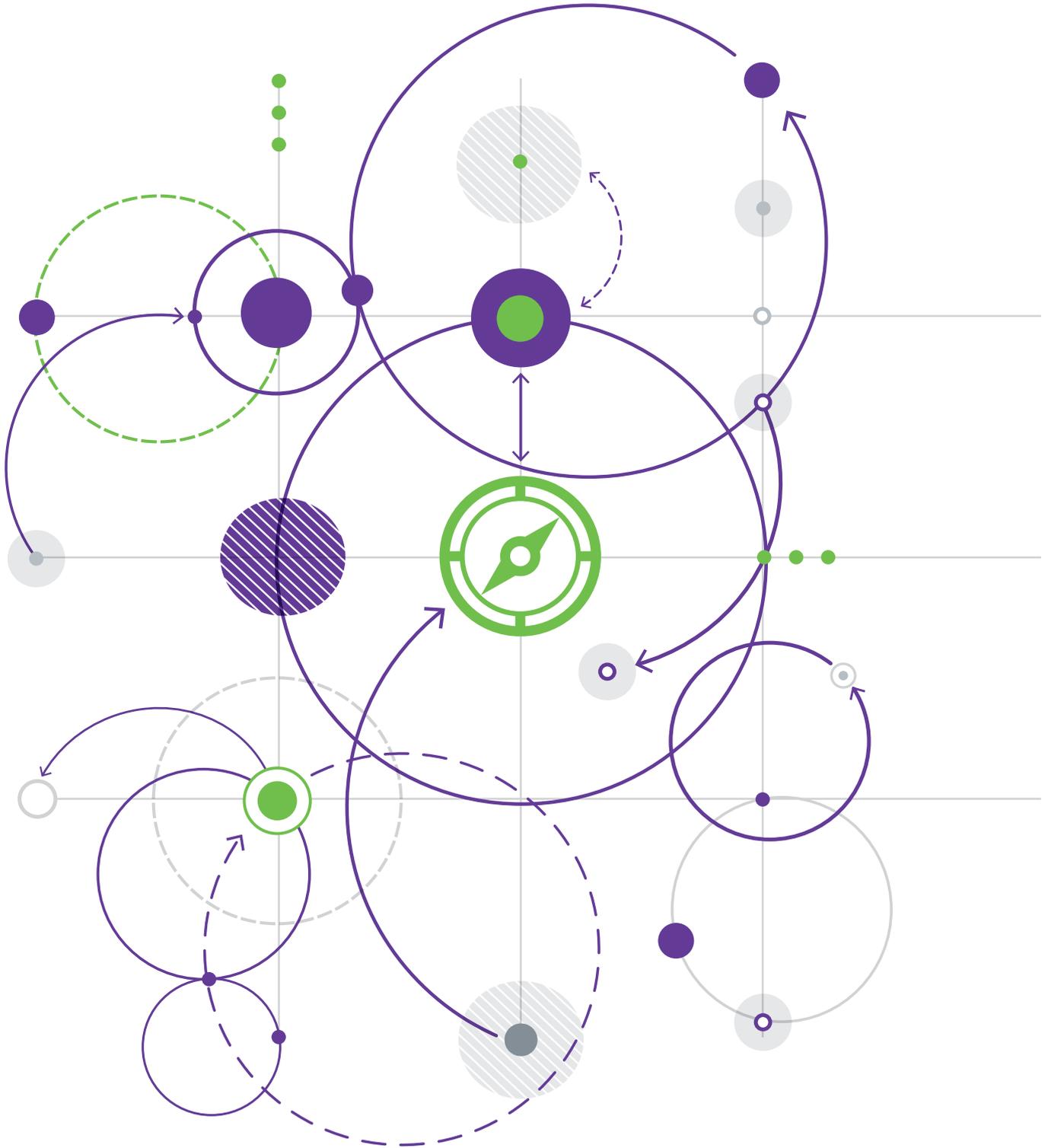


Toby Lowe
Dawn Plimmer



EXAMPLES & TOOLS

In this section we provide some examples and tools taken from the practice of the organisations with whom we have been working. There are also other useful examples and tools in the Library and Forum of the [Complexities Knowledge Hub](#) site.



DRIVERS FOR CHANGE

A range of providers, funders and commissioners explain in their own words what led them to develop a human, learning, systems approach.

Providers	
Mayday Trust	<p>In 2011, prompted by austerity and driven by mission, the organisation radically transformed after carrying out an inquiry through which they listened to over one hundred individuals' experiences of homeless services.</p> <p>They found that the process people go through when they become homeless was dehumanising and institutionalising, trapping people in a cycle of dependence. And the outcomes for people weren't good enough—people were unable to move on because services had focussed on fixing problems, rather than building purpose, connections and a life outside of a homeless identity.</p> <p>This was a systems issue, not an individual issue and prompted Mayday to identify their responsibility as an organisation to remove systemic barriers for people.</p> <p><i>"People's voices were too loud to ignore... Tinkering around the edges of what didn't work wasn't going to be good enough, so we threw out our old way of working, and started again."</i></p>
Shekinah	<p><i>"I realised our organisation was not fit for purpose for the new world we're moving into which is more about co-production, collaboration and alliance. So we stopped for a year and went back to basics to rethink our purpose to become a far more flexible and responsive organisation"</i></p>
Cornerstone	<p><i>"There's a perfect storm situation in social care – austerity, an ageing population, challenges recruiting people into working in social care. There are lots of organisations tinkering around the edges but we don't want to do that anymore... It's about being bold not small changes. That's why it's scary."</i></p>
Hamoaze	<p><i>"[At] the big buzz [appreciative inquiry] event, I think there were just some horrifying things [for us to hear]. One of the things that really, really struck me is that 79% of the 600 people that we spoke to said that they wanted to go to a place where staff were smiling and warm and friendly. You think, "Shit, really, smiling and warm and friendly? Bloody hell, [we're not doing that?] what else are we getting wrong?"</i></p>

Funders

Blagrove

"From our survey of grantees in 2016 we heard a clear message that funders are putting unnecessary restrictions on organisations they partner with that are detrimental and don't recognise the complexity voluntary sector organisations are working in, and the lives of the young people they work with."

Lankelly Chase

Lankelly Chase reflected on the difference between their grant-making practice and the uncertainties inherent in the complex reality of social change: *"we still gave three year £100k grants and asked for proposals setting out outcomes. We invested so much time upfront in the assessment based on an illusion of control and certainty."* They recognised that *"we were part of the system whether liked it or not. The minute we came in as funders, we were part of it. If we are part of it, we need to ask questions of ourselves – how is it that we work, how do we need to change?"*

Tudor Trust

"The Tudor Trust has a long history of relational funding – seeking to develop long-term relationships with organisations that they come to know and trust. They arrived at this approach because Trustees had gradually become aware of how focusing on narrow programme outcomes didn't match the complexity of real people's needs. Applicants were being encouraged to meet the Trust's criteria rather than asking for what they really needed. Trustees dropped programme criteria in 2006 and since then have tried to start from a position of trust in order to hear what applicants themselves are saying about their work and how Tudor might help them achieve their aims. Trustees are now keen to be more reflective about their own practice – asking the question, 'how can we be a better relational grant maker?'"

Commissioners

South
Tyneside –
public health

"In the past we'd made attempts at integration but they missed the point that it's all about the person and that people have to own the change... it became a paper-based exercise. In South Tyneside we've now realised that we're all in it together. There's finite resource. Sitting back and thinking it's ok was a false reassurance – there are holes in the boat and we are all going down."

Devon County
Council –
domestic
violence and
sexual abuse

Conducted ethnographic research on domestic violence and sexual abuse to engage with the system and people's experiences of it. *"It's a really complex issue but our service system isn't set up to deal with complexity – it's set up in a really reductionist way to manage an aspect of a person's life but not the rest of it... Services aren't there to deal with the complexity and totality of people."*

Glasgow City
Health and
Social Care
Partnership

"As commissioners what we have doesn't work for us. Traditional routes don't work. We need greater flexibility and shift from competition to collaboration focusing on the best outcomes for the people in the City experiencing or at risk of homelessness."

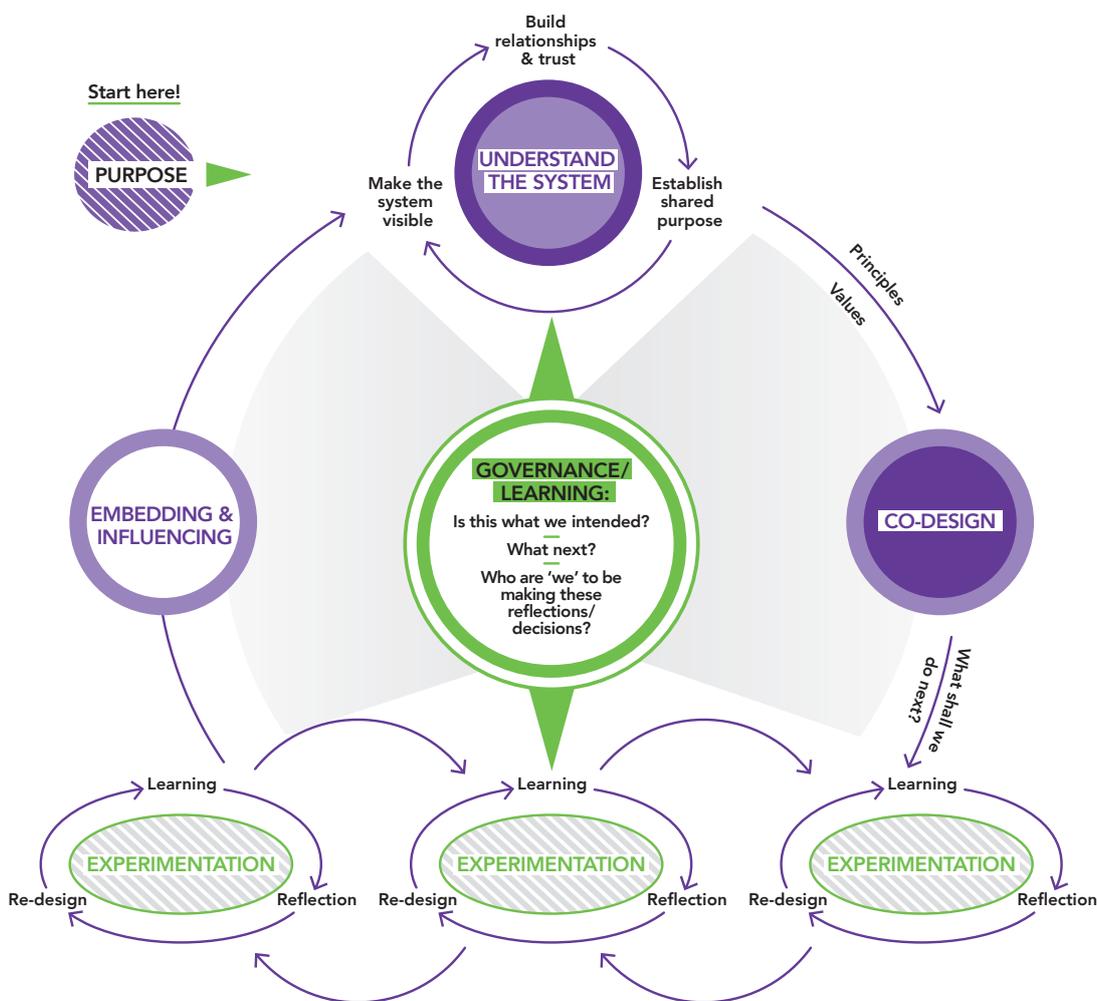
Plymouth

"As part of a funding bid in 2012 over 400 service users, 70 services and several key individuals were consulted with, including political leaders and senior executives. The consultation uncovered the widely-held view that services are delivered in 'silos' – essentially narrow systems that do not relate to the needs of people that use services or effectively join-up with other silos of care that the person may need."

WHAT DOES THE CHANGE PROCESS LOOK LIKE IN PRACTICE?

This process of change can happen in many different contexts. As highlighted throughout this report, a HLS approach can be led by different actors in different parts of the system. Below we have mapped out what the process might look like when

the change starts at two different points, and is instigated by different actors. These two examples are not exhaustive or mutually exclusive. They aim to serve as illustrations NOT prescriptive steps to follow.



Examples of what this could look like in practice

Example 1: funder/commissioner led*

This involves bringing together insights from actors across the system to rethink its purpose and develop new ways of working that enable HLS approaches. Changing commissioning and funding approaches are typically at the heart of this, but the change is often more far reaching than the act of allocating resources alone, involving significant alteration to delivery and how organisations work together.

Examples include the Glasgow Alliance to End Homelessness, a broad Health and Social Care Partnership-led alliance that aims to collaboratively redesign how the City works together to tackle homelessness; and Plymouth, where commissioners have changed the way that they commission work which supports vulnerable adults.

Example 1: (Re) commissioning a service: a City council needs to commission its support for homeless people. How might it go about this work using a HLS approach	
Stage	What this looks like
Starting with purpose	The commissioner identifies that the purpose of the system they are seeking to improve is: <i>'to enable people who experience homelessness to live well'</i>
Understanding the system	<p>The commissioner undertakes system mapping work to identify who contributes to achieving this purpose. They begin by working with people who have experienced homelessness and people who work directly with those who experience homelessness.</p> <p>They ask these groups to help map the system which serves people who experience homelessness, and supports them to 'live well'. These people are the 'actors in the system'.</p> <p>The commissioners seek to hear the voices of all the actors in the system, particularly people who access support.</p> <p>They spend time with people and organisations in different parts of the system. They ask:</p> <ul style="list-style-type: none"> • What do you want to help you to live well? • What do other people do that helps people who experience homelessness to live well? • What do other people do that gets in the way? <p>The commissioners collect and analyse this information, but they do not draw conclusions at this stage.</p>

*Note: this refers to who instigates the change. It may be that the approach becomes jointly led by additional/all layers of the system later in the process e.g. as in an alliance approach.

Stage	What this looks like
Making the system visible	<p>The commissioner convenes sessions that bring together the people and organisations identified by the mapping exercise to:</p>
Building relationships and trust	<ul style="list-style-type: none"> • Introduce the actors in the system to each other, enabling each person/organisation to explain what it is that they do, why it is they do it, and for whom.
Establishing shared purpose	<ul style="list-style-type: none"> • Play back the results of the listening exercises and enable participants to jointly make sense of what they heard. • Build and refine a shared sense of purpose: what is the purpose this system? How does each person and organisation contribute to this shared purpose?
Developing principles, values and behaviours	<ul style="list-style-type: none"> • Actors co-produce a set of principles, values and behaviours that will help the system achieve its purpose • Identify which other actors they regularly communicate with, and by what means they communicate. (e.g. Is there a network that all people/organisations are part of? Does communication rest on particular friendships/shared history?) <p>The commissioners convene these sessions until they detect that a shared sense of purpose has been created, and that the people and organisations have built trust.</p> <p>By the end of these sessions, all the actors in the system have a good sense of the purpose the system, who all the other actors are, and what their particular role within the system is.</p> <p>All the actors also have an agreed set of shared principles, values and behaviours.</p> <p>The commissioners have an overview of who all the actors in the system are, what their roles are, and how the relationships between the actors are mediated (how they communicate with one another).</p>

Stage	What this looks like
Design	<p>The commissioners convene a set of design conversations with all the actors in the system (including the people who experience homelessness). The purpose of these sessions is to identify:</p> <ul style="list-style-type: none"> • How the different roles in the system fit together (how will we work together)? • What data do we need in order to reflect on our work? (what information needs to be collected? how will it be analysed? who will make sense of it?) • Does the system have all the assets that it needs? (e.g. Does it need new homes?) • Is there anything we can stop doing? • What infrastructure is required to govern how the different actors in the system continue to learn together? (do relevant networks exist? how will they communicate to reflect together? how often will they do so?)
Resource allocation	<p>The commissioner allocates resources to the actors in the system to enable it to achieve its purpose.</p> <p>The commissioners and actors in the system choose to use an 'alliance contracting' model. The actors in the system who provide services to people who experience homelessness form a single alliance – a network of organisations who have agreed to work together, and share joint responsibility and risk for service provision.</p> <p>The commissioner contracts with this alliance to achieve the purpose of the system.</p> <p>The contract does not specify targets to be achieved. Instead the contract identifies the governance processes by which the alliance will be held accountable for learning and adapting to change.</p>

Stage	What this looks like
<p>Experimentation</p>	<p>The actors in the system undertake agreed activities to enable the system to achieve its purpose. Those working directly with people who experience homelessness create Learning Communities in order to have a safe space to reflect on practice honestly together.</p> <p>The experience and voices of all the actors in the system is captured regularly, and reflected back to relevant actors. Regular re-design sessions are held to enable actors to redesign interventions and offers in light of this feedback.</p>
<p>Governance and learning</p>	<p>Once the tendering process is complete, the commissioners join the alliance. Together the alliance creates a governing infrastructure, which:</p> <ul style="list-style-type: none"> • Allocates resources between the members of the alliance • Oversees delivery – are organisations doing what they said they would do? • Maintains the desired culture of principles, values and behaviour: are we acting in the way we intended? • Ensures that learning processes are undertaken – that information about the service, and the people who experience it, is being regularly captured and reflected on. • Regularly asks the question: is this what we intended to happen?
<p>Embedding and influencing</p>	<p>The commissioners share their experience commissioning in this way with other commissioners in their locality, and to their peers nationally.</p> <p>The infrastructure for learning and reflection (IT systems, networks of actors etc.) becomes recognised as part of the Council's core infrastructure requirements.</p>

Example 2: delivery led

Delivery-led change involves developing and testing new HLS approaches to delivery before looking to change and influence funding and commissioning processes that will enable these new approaches. It may be led by and involve one or more delivery organisations. While resource from some funders/commissioners is likely to be used to enable the delivery of the new approach, these funders/commissioners play an enabling role rather than proactively leading the change.

For example, Mayday Trust and Cornerstone developed new person-centred models and are now working to influence commissioners and the wider system to adopt approaches that are more supportive of this way of working. Mayday Trust describes how, when they started out, they soon realised that trying to 'collaborate within the broken system' wouldn't bring about the paradigm shift that is necessary to bring about

real systemic change. Mayday's approach to collaboration is to be led by the individual and aims to broker opportunities from the wider community rather than defaulting to a sector based, service response. Their Personal Transitions Service, which is delivered by Mayday Trust and a network of Innovation Partners across the country, is modelling this new personalised, transitional system in practice and 'influencing by doing' to demonstrate that highly person-led approaches require shifting away from a traditional deficit-based system.

In Gateshead, led by the Council's Public Service Reform director, multiple services are prototyping new approaches to delivery to understand what 'different' looks like. They are generating insights to make the case for new approaches, while also developing their understanding of what commissioning approaches are needed to support this way of working.

Model 2: delivery led

A regional social care charity that supports older people has decided to review its strategy in response to the challenging environment in social care. How might it go about this work using a HLS approach?

Stage	What this looks like
Starting with purpose	<p>The charity knows from its work to date that it needs to offer more flexible, bespoke support if it is respond to people’s needs, interests and circumstances. It identifies that the purpose of the system is to <i>‘enable older people to live a fulfilling life’</i>.</p>
Understanding the system	<p>The charity undertakes ethnographic research to understand the experiences and aspirations of the people they support. They begin by working with older people who access support, plus their families and carers; and social care staff who work with older people (along with broader staff and trustees)</p> <p>They work to understand how people have experienced social care in the past, and how this could change to better meet people’s aspirations for a fulfilling life. The charity also works with these groups to map all the services and support people interact with so that they can identify a more joined up offer.</p> <p>The charity speaks with other key social care providers to gauge their willingness to work collaboratively on this new approach. Some are interested, but want to wait until the new model is developed and tested before considering becoming involved.</p> <p>The charity also engages with other actors in the system, including its commissioners and regulators, to gain their insights on how the system can work better in the current context, and what scope they have to transform existing approaches.</p> <p>The charity collects and analyses this information, but they do not draw conclusions at this stage.</p>

Stage	What this looks like
<p>Building relationships and trust</p> <p>Establishing shared purpose</p> <p>Developing principles, values and behaviours</p>	<p>The charity establishes a working group of trustees and staff at all levels to reflect on the insights from the previous phase and begin designing and creating the conditions for a new approach. Older people and their families are involved to ensure the new model responds to their circumstances, needs and aspirations.</p> <p>One of the first steps is to build a sense of shared purpose and explore what needs to change in order to work towards this. The previous phase of work reinforced the need to focus on supporting people to achieve what they consider to be a fulfilling life, rather than delivery of standardised services.</p> <p>People in a range of roles and at all levels of the organisation, plus older people and their families/carers, are asked to consider their contribution to achieving this purpose.</p> <p>The group then begins to consider what needs to change to enable this to happen. Based on learning from other models they've studied, they start by developing principles, values and behaviours that will guide them in working towards their shared purpose.</p> <p>They aim to break down traditional hierarchies and encourage everyone to actively contribute by creating spaces where people can get to know each other and understand each other's drivers and motivations. They test out the new principles and behaviours and ask everyone to reflect on how this has impacted what they do.</p> <p>By the end of these sessions, all the actors have a good sense of the purpose the system and what their role is. Everyone has an agreed set of shared principles, values and behaviours. Staff who have not been intensively involved in the process so far are regularly updated, and their feedback sought at regular points.</p>

Stage	What this looks like
<p>Design</p>	<p>The organisation begins design conversations to develop its new model. The purpose of this stage is to identify:</p> <ul style="list-style-type: none"> • How the organisation will provide support to achieve the identified purpose, in a way that fits with the principles, vision and behaviours it has identified. • What this means for staff who support older people, and in turn what this means for older people, their families and carers; and other roles within the organisation from trustees and the leadership team, to HR and IT functions. • What support staff will need to work in the new way • How the organisation will work with other actors in the system who are still working in a traditional way, and help the people it supports to navigate this wider system of support in a way that works better for them • What data it needs to reflect on its work (what information needs to be collected? how will it be analysed? who will make sense of it? How will we act on the findings?) • What conversations it needs to have with its funders and regulators to gain their support and input.
<p>Resource allocation</p>	<p>From the start of this process, the organisation has been relying on a mixture of unrestricted income plus grant funding from a charitable funder who supports the organisation in developing a new approach.</p> <p>To resource the implementation of its new approach, the organisation gains the ongoing support of this funder, plus the agreement of a commissioner who funds its work across a number of Local Authority areas. The organisation will test its model in these three areas to begin with.</p> <p>To enable more flexible person-centred delivery, the organisation works with the funder and commissioner to remove any KPIs which are not essential, and establish how they will communicate and learn together as the new model is adopted.</p>

Stage	What this looks like
Experimentation	<p>Staff in the Local Authority areas receive intensive support and training to develop their understanding of the new model, and build the new skills and behaviours. They are supported to learn new tools and techniques such as appreciative inquiry and action learning sets so that they are able to have strengths-based conversations with the people they support, and work to develop solutions together as teams.</p> <p>Teams embed learning and reflection sessions in their weekly meetings to continuously adapt and improve their work. Regular re-design sessions are held to bring together teams to share learning and consider what wider support and infrastructure they need in their new roles.</p>
Governance and learning	<p>All staff are responsible for working within the principles, values and behaviours, including sharing and acting on learning in everything they do. A central governance and learning group comprising the leadership team plus people in different roles and at different levels of the organisation is established to ensure this happens. Rather than overseeing adherence to processes and procedures, the group:</p> <ul style="list-style-type: none"> • Oversees delivery – are teams doing what is need to achieve the shared purpose? • Maintains the desired culture of principles, values and behaviour: are we acting in the way we intended? • Ensures that learning processes are undertaken - that information about the service, and the people who experience it, is being regularly captured and acted on. • Regularly asks the question: is this what we intended to happen?
Embedding and influencing	<p>The model has been effective in improving outcomes for the people it supports and is viable operationally. The charity now aims to roll out the model across the organisation through working with staff and commissioners to gain their buy in and support them in the new way of working. They continue build and embed the organisational infrastructure (e.g. responsive IT system, learning forums) critical to enabling the new approach.</p> <p>The organisation begins to proactively share learning and influence across the wider system, including commissioners, regulators and other providers. This takes many forms including workshops, training, reports and sharing stories.</p>

WHAT DOES THIS MEAN FOR PROCUREMENT?

Procurement is often identified as a blocker to the adoption of HLS approaches. While regulatory and legislative change is needed, there is already scope to procure for the HLS approaches described in *Exploring the New World*.

This guide encourages commissioners, providers and service users to come together in common interest and focus on what they can do **right now**, by:

- Developing collective understanding to overcome internal challenges
- Understanding what's possible within existing regulation and legislation

This guide is indicative and in no sense intended to replace your legal adviser. Nor is it intended to, or does it constitute legal advice. We strongly suggest that you enlist the services of a 'can do' solicitor!

Developing collective understanding to overcome internal challenges

Often new approaches to procurement are blocked internally, because of cultural divides between departments and/or because 'this is how we've always done it.'

Actions that can help make the case for and achieve change are:

- Build relationships and common understanding: to make HLS approaches possible requires a common view of success that bridges the often artificial divide between commissioning, procurement and finance colleagues. This requires a shift from transactional engagement, to building genuine relationships

to develop a shared understanding of why a new approach is needed. Involve procurement, finance, legal and other relevant colleagues in discussions as early as possible so they understand the full picture and can help solve rather than raise problems. Pose questions in a positive way, 'this is what we know is needed to achieve better outcomes, how can we make it work together?'

- Get senior support: if you're facing resistance from procurement colleagues, who are your senior allies? Could they be the one championing new procurement approaches? These senior leaders are the ones who are likely to have to carry the risk, so ensure you equip them to understand and make the case for why taking a risk is worthwhile.
- Point to alternatives: there are examples in this report and more widely of public procurement operating in a different more creative way. Share these and point to the opportunities to make use of existing regulatory and legislative mechanisms and permissions.

Understanding what's possible within existing regulation and legislation

2015 Public Contracts Regulations

The thrust of the 2015 Public Contracts Regulations is to achieve broader and better social benefits for our communities. They are a licence to collaborate.

You can:

- Have a pre-tender market consultation on the specification and the process
- When you don't 'know the answer', use an Innovation Partnership to commission
- Use Reserved Contracts to engage with voluntary and civil society
- Embed social value considerations in the marking scheme (we saw evidence of this in Bristol)
- Get external inputs from providers and users on what social value looks and feels like; and how it should be evaluated (see 'Learning' section of the main report for examples).

The 2015 Regulations recognise the potential of public authorities to drive beneficial social change. Social care, health and education are governed by 'light touch' which means that provided the processes are clear, you can design the procurement to suit. This allows for pre-qualification and bespoke selection processes and criteria as well as competition and negotiation at key stages.

The Official Journal of The European Union (OJEU) is raised as a wraith to scarify procurement teams. The fact is that if the value of a contract is over the £750k 'threshold', you can:

- Publish a Contract Notice or a Prior Information Notice as an advisory; then a contract notice when the contract is awarded
- Follow your own processes, so long as they are reasonable and proportionate in terms of timeframes

Principled working

- Apply equal treatment (information, opportunities, procedures, assessment)
- Be non-discriminatory
- Be transparent

- Be proportionate, which means doing things in a necessary and appropriate manner

Social value

The Social Value Act (2012) applies when you are contracting under the 2015 Regulations. In essence, it enables you to:

- Create a socially-purposed supply chain
- Have an effective way of promoting community inclusion and targeting disadvantaged groups

Dealing with challenge

To be confident of fending off legal challenges, which can be a costly nightmare, ensure that you:

- Focus on the purpose and objectives of commissioning
- Select or design a process to deliver on the objectives
- Check that the tender, specification, requirements, evaluation and selection criteria 'read-across' and are consistent
- Be comfortable that the whole process applies the 'principled working tenets' already covered
- Link social value elements objectively to the contract

More you can do

- Service providers can be involved in the specification design at pre-tender stage, but do be clear about how you are going to use and share the information they provide, which should be on an equal basis
- Involve service users in decision making
- Include wider social impact in the specification or award criteria
- Create Reserved Contracts, so long as they operate under the Light Touch regime and are for a specific type of service (the new rules permit for certain light touch regime contracts)

to be 'reserved' for organisations meeting certain criteria e.g. public service mutuals and social enterprises.)

- Do joint commissioning - Innovation Partnerships can be used to create innovative ways of solving societal challenges. They are not, as myth would have it, limited to three years but are defined by how long it takes to deliver on the goal
- Commission for partners with shared values
- Apply financial thresholds and risk criteria that are proportionate to what is being commissioned
- Use grants rather than contracts. [See here](#) for a good practice guide for grant making.

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Collaborate

Clarence Centre for Enterprise & Innovation
6 St George's Circus, London, SE1 6FE

T: +44 (0)20 7815 8297

E: enquiries@collaboratei.com

www.collaboratecic.com



Newcastle Business School



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